

### **PERFORMANCE AGREEMENT**

# MADE AND ENTERED INTO BY AND BETWEEN:

NGQUSHWA LOCAL MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL
MANAGER

MS. MISIWE PHYLLIS MPAHLWA

AND

DIRECTOR

MS. NTOMBI MEMORIAL MAKWABE

THE EMPLOYEE OF THE MUNICIPALITY

**FOR THE** 

FINANCIAL YEAR: 1 JULY 2019 – 30 JUNE 2020



#### **ENTERED INTO BY AND BETWEEN:**

The Ngqushwa Municipality herein represented by MS. MISIWE PHYLLIS MPAHLWA in her capacity as the Municipal Manager (hereinafter referred to as the Employer)

and

MS. NTOMBI MEMORIAL MAKWABE; the Director Community Services of the Municipality (hereinafter referred to as the Employee).

#### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- **1.2** Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires to conclude an annual Performance Agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4) and 57(5) of the Systems Act.

#### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 comply with the provisions of Section 57(1)(b), (4B) and (5) of the Act as well as the employment contract entered into by between the parties;
- 2.2 specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountability as set out in a performance plan, which forms an annexure to the Performance Agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

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#### 3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **01 July 2019** and will remain in force until **30 June 2020** thereafter a new Performance Agreement; Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement in each quarter. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by no later than beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Employee's** contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

#### 4. PERFORMANCE OBJECTIVES

- 4.1 The performance Plan (Annexure A) sets out-
  - 4.1.1 the performance objectives and targets that must be met by the Employee; and
  - 4.1.2 the time frames within which those performance objectives and targets must be met
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include; key performance indicators; target dates and weightings.
  - 4.2.1 The key objectives describe the main tasks that need to be done.
  - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
  - 4.2.3 The target dates describe the timeframe in which the work must be achieved.
  - 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 The **Employee's** performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the **Employer's** Integrated Development Plan.

#### 5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.
- 5.2 The **Employee** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Employer**, management and municipal staff to perform to the standards required.

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- 5.3 The Employer will consult the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.
- 5.4 The **Employee** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consists of two components, both of which shall be contained in the Performance Agreement.
  - 5.5.1The Employee will be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
  - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total
  - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.6 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings below agreed to between the Employer and the Employee:

Key Performance Areas (KPA's)	Weighting		
Quality Basic Services and Infrastructure Development	15%		
Institutional Development and Design	10%		
Local Economic Development and Spatial Planning	50%		
Financial Viability and Management	15%		
Good Governance and Public Participation	10%		
Total	100%		

- 5.7 Key performance areas related to the functional area of the Employee will be subject to negotiation between the Employer and the Employee.
- 5.8 The CCRs will make up the other 20% of the Employee's assessment score. CCRs that are deemed to be most critical for the **Employee's** specific job will be selected ( $\sqrt{}$ ) from the list below as agreed to between Employer and Employee. Three of the CCRs are compulsory for Managers directly accountable to Municipal Managers:

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Core Cor	npetency Requirements for Managers (CCR)	Indicate Choice: Select Yes/No	Weight
	Core Managerial Competencies	-	
CCR1	Strategic Capability and Leadership	Yes	10%
CCR2	Programme and Project Management	Yes	12%
CCR3	Financial Management	Compulsory	15%
CCR4	Service Delivery Innovation	Yes	10%
CCR5	People Management and Empowerment	Compulsory	15%
CCR6	Client Orientation and Customer Focus	Compulsory	12%
CCR7	Communication	Yes	5%
CCR8	Risk Management	Yes	5%
CCR 9	Audit Action Plan	Yes	5%
	Core Occupational Competencies		
CCR10	Interpretation of and implementation within the legislative and national policy framework	Yes	4%
CCR11	Knowledge of developmental local government	Yes	2%
CCR12	Knowledge of Performance Management and Reporting	Yes	5%
Total CCI	R Score		100%

#### 6. EVALUATING PERFORMANCE

- 6.1 The Municipality's Performance Management Framework sets out-
  - 6.1.1 the standards and procedures for evaluating the Employee's performance; and
  - 6.1.2 the intervals for the evaluation of the **Employee's** performance
- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force
- 6.3 Personal growth and development needs identified during any performance review discussion will be documented in a Personal Development Plan as well as the actions agreed to and implementation will take place within set time frames.
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP
- 6.5 The annual performance appraisal will involve:

#### 6.5.1 Assessment of the achievement of results as outlined in the performance plan:

- a) Each KPA will be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that have had to be performed under the KPA.
- b) An indicative rating on the five-point scale will be provided for each KPA.
- c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) will be used to add the scores and calculate a final KPA score.

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#### 6.5.2 Assessment of the CCRs

- a) Each CCR will be assessed according to the extent to which the specified standards have been met.
- b) An indicative rating on the five-point scale will be provided for each CCR.
- c) This rating will be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- d) The applicable assessment rating calculator (refer to paragraph 6.5.1) will be used to add the scores and calculate a final CCR score.

#### 6.5.3 Overall rating

An overall rating is calculated using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

6.6 The assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating		
			1 2 3 4 5		
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.			
4	Performance significantly above expectations	Performance is significantly higher than the standards expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.			
3	Fully Effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved results against all significant performance criteria and indicators as specified in the PA and Performance Plan.			
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected of the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.			
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved			

6

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below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan.  The employee has failed to demonstrate the	
commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.	

- 6.7 For purposes of evaluating the annual performance of the **Employee**, an evaluation panel constituted of the following persons shall be established -
  - 6.7.1 Municipal Manager;
  - 6.7.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee
  - 6.7.3 Member of the Mayoral Committee or in respect of a plenary type municipality, another member of the Council; and
  - 6.7.4 Municipal Manager from another municipality.
- 6.8 The manager responsible for Human Resources of the municipality shall provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

#### 7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employee** in relation to his Performance Agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter Second quarter Third quarter Fourth quarter July – September 2019 October – December 2019

January – March 2020 April – June 2020

Tourist quarter.

- 7.2 The **Employer** shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the **Employer's** assessment of the **Employee's** performance.
- 7.4 The **Employer** will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The **Employee** will be fully consulted before any such change is made.
- 7.5 The **Employer** may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Employee** will be fully consulted before such change is made.

#### 8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

#### 9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall -
  - 9.1.1 create an enabling environment to facilitate effective performance by the **Employee**;
  - 9.1.2 provide access to skills development and capacity building opportunities;

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- 9.1.3 work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;
- 9.1.4 on the request of the **Employee** delegate such powers reasonably required by the **Employee** to enable him to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the **Employee** such resources as the **Employee** may reasonable require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement.

#### 10. CONSULTATION

- 10.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others-
  - 10.1.1 a direct effect on the performance of any of the **Employee's** functions;
  - 10.1.2 commitment of the **Employee** to implement or to give effect to a decision made by the **Employer**; and
  - 10.1.3 a substantial financial effect on the **Employer**.
- 10.2 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

#### 11. MANAGEMENT OF EVALUATION OUTCOMES

- 11.1 The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2 A performance bonus of between 1% to 14% of the all-inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance to be constituted as follows:
  - 11.2.1 a score of 101% 129% is awarded a performance bonus ranging from 1% to 5%; and
  - 11.2.2 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
  - 11.2.3 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the **Employer** shall
  - 11.3.1 provide systematic remedial or developmental support to assist the **Employee** to improve his performance; and
  - 11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his duties.

#### 12. DISPUTE RESOLUTION

8

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- 12.1 Any dispute about the nature of the **Employee's** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the Agreement, must be mediated by the Mayor within thirty (30) days of receipt of a formal dispute from the **Employee**, whose decision shall be final and binding on both parties.
- 12.2 Any dispute about the outcome of the **Employee's** performance evaluation, must be mediated by a member of the Municipal Council, provided that such member was not part of the evaluation panel provided for in 6.8, within thirty (30) days of receipt of a formal dispute from the **Employee**, whose decision shall be final and binding on both parties.

#### 13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the **Employer**
- Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Employee** in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at Ngquchuse on this Ol day of July 2019

AS WITNESSES:

1. Majdet

2. January

AS WITNESSES:

1. A. Managa

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**EMPLOYEE** 

MUNICIPAL MANAGER

9



## NGQUSHWA LOCAL MUNICIPALITY - PERFORMANCE AGREEMENT ANNEXURE B

## PERSONAL DEVELOPMENT PLAN 2019/20

Full Names

: Ntombi Memorial Makwabe

Employee Number : 970640

Position

: Director Community Services

**KPA** 

: Local Economic Development and Spatial Planning

Supervisor's Name: Ms M.P.Mpahlwa

Job Purpose

: Manage Community Services Directorate

Table 1: Areas of Development and Formal Training

#	SKILLS PERFORMANCE GAP	OUTCOME EXPECTED	SUGGESTED TRAINING AND / OR DEVELOPMENT ACTIVITY	SUGGESTED TIMEFRAME	SUPPORT PERSON	
1.	Strategic Leadership	To be effectively lead the department which will bring excellent results	CPMD Course	l year	Municipal	
2.	Performance Management	To be able to enter into performance	Monitoring and First		Manager	
		agreements with all managers ,monitor and evaluate against set criteria within relevant time frames	Monitoring and Evaluation Course	1 year	Municipal Manager	

You may attend an awareness session, seminar, conference, understudying, on-the-job training within the year that will seek to address any of

#	NAME OF SESSION, SEMINAR, CONFERENCE	OBJECTIVE OF DEVELOPMENT	
		DEVELOPMENT	QUARTER TARGETED
1.	Spatial Planning and Development		PERIOD / TIMEFRAME
	Spatial Planning and Development Conference	To effectively manage and acquire	Ond O
2.	Local Economic Development Conference	additional knowledge on sections	2 <sup>nd</sup> Quarter /1 week
3.	Ocean Economy Conference	that are within Directorate	3 <sup>rd</sup> Quarter /1 week
	Waste and Environment Conference		1st Quarter /2 weeks
			2 <sup>nd</sup> Quarter /1 week

We, (Employee) and (Supervisor) agree that the above-mentioned areas for development and the type of intervention suggested would be engaged in to achieve objective/s for development. We also understand that due to the operational requirements and budget constraints of the Municipality (Department/division/unit), it may not be possible to undertake the training and development stated with the type of intervention stated and/or within the quarter of the year as stated. There is also an understanding between us that areas of development could be identified throughout the year and that this may change the order of priority and type of intervention as stated in the plan.

Signature: (Employee) Maker Date: 01/07/2019

Supervisor's Signature: M.P. Mallin Date: 01/07/2019

NLM 2019/20 Personal Development Plan

Page 3

Annexure A

					KPA3 : LOC	AL ECONOMIC D	EVELOPMENT A	ND SPATIAL DE	VELOPMENT WEI	GHT : 20					
Strategy	Objective	Indicator	Annual Target	Budget	Baseline	Quarter One(1 )Target	Quarter One (1) Evidence	Quarter Two (2) Target	Quarter Two (2)Evidence	Quarter Three (3) Target	Quarter Three (3) Evidence	Quarter Four (4) Target	Quarter Four (4) Evidence	Custodia n	o of KPI'
create wealth using all available resources and strategic partnerships to promote sustainable	enabling environment that promotes the capacitation of SMEs, development of	Livestock Improvement Scheme by 30 June 2020.	One (1) final business plan developed for revitalization of Livestock Improvement Scheme by 30 June 2020	RO	Not Applicable	Not Applicable	Not Applicable	Development of	ndance register and agenda of stakeholder meeting.	Draft business plan on Revitalization of Livestock Improvement Scheme developed by 31 March 2020	Draft business plar for Revitalization of Livestock Improvement Scheme	plan on Revitalization of Livestock	Final business plan for Revitalization of Livestock Improvement Scheme	Director : Communit y Services	
		Number of developmental programmes provided for Ngqushwa entrepreneurs through Ngqushwa Entrepreneurial Ecosystem by 30 June 2020	(4)developmental programmes provided to Ngqushwa Entrepreneurs ( Sales and distribution plan, Market linkage,	R541 028.00		and distribution plan for farmers ,Quarterly networking	Distribution Plan, Networking sessions and Skills development Attendance registers for all 3 initiatives.	session for	on Market Linkages, Network ing session and skills development Attendance registers for all 3 initiatives	Quarterly networking session for entrepreneurs(w omen and vulnerable groups) and Skills development of entrepreneurs by 31 March 2020.	Attendance registers for two initiatives.	networking session for	Quarterly Report on Networking sessions and skills development. Attendance registers for two initiatives.	Communit	LED 2
		Number of SME's capacitated in construction to increase CIDB grading by 30 June 2020	Three (3) SME's capacitated in construction to increase CIDB grading by 30 June 2020	R0	Not Applicable	capacitated in	on One (1) SME		on One (1) SME capacitated.	capacitated in	Quarterly report on One (1 ) SME capacitated.	Not applicable	·	Director : Communit y Services /Director :Infrastruc ture and Technical Services	LED 3

t and provision of	management of the environment by 2022 and beyond		Four (4) Coastal Management Plan activities Implemented by 30 June 2020 .	R350 554.00	Coastal Management Plan	Establishment of Coastal Management Committee. Maintenance of Hamburg and Birha beach	1		Quarterly report on establishment of Coastal Management Committee, Costal Management Committee Terms of Reference. Quarterly report on Hamburg and Birha maintenance of beach front.	Installation of Hamburg water harvesting system and Installation of Hamburg signage by 31 March 2020		Bhira signage by 30 June	Quarterly report on Installation of Bhira signage in beach front area, proof of delivery and proof payment.	Communit y Services	
	To promote equitable and inclusive access for spatial justice (improving access to opportunities, services and amenities) by	Number of SDF projects implemented by 30 June 2020.	Two (2) SDF projects implemented by 30 June 2020	R312 970.00	Approved 5 year Municipal SDF	for Land Fill Site	Terms of reference and Proof of advert for Land Fill Site and Peddie Town Cemetry site re - location		letter and Inception report on development of feasibility study	location of Land Fill site and Peddie Town Cemetry site 31	reports of development of Draft feasibility	Develop two (2) final feasibility study on relocation of Land Fill Site and Peddie Town Cemetry site 30 June 2020.	reports on development of final feasibility study on re- location of Land	Director : Communit y Services	LED 5
Planning & Land Use Managemen t Act principles and the	To manage planning and	Use Scheme developed by 30 June 2020	One (1) Land Use Scheme developed by 30 June 2020	R105 200.00	Applicable	Terms of reference and Advertisement	reference and Land Use Scheme Proof of advert	service provider for Land Use Scheme and Inception report	appointment letter (Land Use Scheme) and Inception report on Land Use		Development of Draft Land Use	Final Land Use Scheme by 30 June 2020		Director : Communit y Services	LED 6